

§ 367.1420

must be credited to a separate sub-account of this account and appropriate disclosure must be made in financial statements of any contingent liability arising from the transactions.

§ 367.1420 Account 142, Customer accounts receivable.

(a) This account must include amounts due from customers for service, and for merchandising, jobbing and contract work. This account must not include amounts due from associate companies.

(b) This account must be maintained so as to permit ready segregation of the amounts due for merchandising, jobbing and contract work.

§ 367.1430 Account 143, Other accounts receivable.

(a) This account must include amounts due the service company upon open accounts, other than amounts due from associate companies and from customers for services and merchandising, jobbing and contract work.

(b) This account must be maintained so as to show separately amounts due on subscriptions to capital stock and from officers and employees, but the account must not include amounts advanced to officers or others as working funds. (See account 135, Working funds (§367.1350).)

§ 367.1440 Account 144, Accumulated provision for uncollectible accounts—Credit.

(a) This account must be credited with amounts provided for losses on accounts receivable that may become uncollectible, and also with collections on related previously charged accounts. Concurrent charges must be made to account 904, Uncollectible accounts (§367.9040), for amounts applicable to service company operations, and to corresponding accounts for other operations. Records must be maintained so as to show the write-offs of account receivable for each service company department.

(b) This account must be subdivided to show the provision applicable to the following classes of accounts receivable:

- (1) Service company customers.

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(2) Merchandising, jobbing and contract work.

(3) Officers and employees.

(4) Others.

(c) Accretions to this account must not be made in excess of a reasonable provision against losses of the related character.

(d) If provisions for uncollectible notes receivable or for uncollectible receivables from associate companies are necessary, separate related sub-accounts must be established under the account in which the receivable is carried.

§ 367.1450 Account 145, Notes receivable from associate companies.

(a) This account must include notes and drafts upon which associate companies are liable, and that mature and are expected to be paid in full not later than one year from the date of issue, together with any related interest, and debit balances subject to current settlement in open accounts with associate companies. Items that do not bear a specified due date but that have been carried for more than twelve months and items that are not paid within twelve months from due date must be transferred to account 123, Investment in associate companies (§367.1230).

(b) On the balance sheet, accounts receivable from an associate company may be set off against accounts payable to the same company.

(c) The face amount of notes receivable discounted, sold or transferred without releasing the service company from liability as endorser thereon, must be credited to a separate sub-account of this account and appropriate disclosure must be made in financial statements of any contingent liability arising from such transactions.

§ 367.1460 Account 146, Accounts receivable from associate companies.

(a) This account must include notes and drafts upon which associate companies are liable, and that mature and are expected to be paid in full not later than one year from the date of issue, together with any related interest thereon, and debit balances subject to current settlement in open accounts